No. 13044

IN THE

United States Court of Appeals

FOR THE NINTH CIRCUIT

REPUBLIC PICTURES CORPORATION,

Appellant,

vs.

SECURITY-FIRST NATIONAL BANK OF LOS ANGELES,

Appellee.

Petition of Bank of America National Trust and Savings Association for Leave to File Brief as Amicus Curiae and Brief of Amicus Curiae.

SAMUEL B. STEWART, JR.,
HUGO A. STEINMEYER,
ROBERT VAN BUSKIRK and
ROBERT H. FABIAN,
650 South Spring Street,
Los Angeles 14, California,
Attorneys for Amicus Curiae.

The Myers Legal Press, Los Angeles. Phone VAndike 9007.

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To the Honorable the Judges of the United States Court of Appeals for the Ninth Circuit:

Comes now Bank of America National Trust and Savings Association and petitions the Court for leave to file as *Amicus Curiae* the within brief in support of the position of the appellant herein.

The ground of this petition is that if the erroneous judgment herein appealed from is allowed to stand, it will cast doubt upon the validity of several state court judgments heretofore obtained by petitioner in actions to foreclose motion picture copyright mortgages.

BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION,

By ROBERT H. FABIAN,

Attorney for Petitioner.

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BRIEF OF AMICUS CURIAE.

I.

Statement of the Case.

We adopt the statement of appellant contained in Appellant's Opening Brief, pages 2 to 4.

II.

Argument.

The Supreme Court of California has held in a situation closely analogous to the case at bar that jurisdiction lies in the State courts. We invite the Court's attention to the case of *Pendleton v. Ferguson,* 15 Cal. 2d 319, 101 P. 2d 81 (1940), where that Court held that an action to quiet title to letters patent was not an action arising under the patent laws of the United States over which the Federal

courts have exclusive jurisdiction. The Court said (p. 326):

> Appellants contend that the trial court had no jurisdiction to hear or determine this action, but we cannot agree with this contention.
>
> A review of the authorities convinces us that the issues raised by the pleadings in this action bring the case clearly within the jurisdiction of the courts of this state.
>
> It appears to be the settled rule that while the federal courts have exclusive jurisdiction of all cases arising under the patent laws, such jurisdiction does not extend to all questions in which a patent may be the subject-matter of the controversy, for Courts of a state may try questions of title, and may construe and enforce contracts relating to patents.
>
> As we understand the issues in this case, they simply involve a contract relating to the title to certain patents. A determination of whether or not the relief prayed for should be granted must be arrived at by the application of rules and principles of equity cognizable in the courts of this state and in no degree whatever upon any act of congress concerning patent rights.

The California Supreme Court then quoted with approval the opinion in *Luckett v. Delpark*, 270 U. S. 496, 46 S. Ct. 397, 70 L. Ed. 703 (1926), cited in Appellant's Opening Brief at pages 10 and 13, and in Appellee's Brief at pages 15, 19, 23 and 24.

The California District Courts of Appeal have also recognized the distinction between an action brought upon a contract of which a patent is the subject matter, and an

action directly arising under the patent laws, correctly holding that the state courts have jurisdiction of the former. (*Davis v. Kittle Mfg. Co.,* 134 Cal. App. 254, 262, 25 P. 2d 253 (1933); *Dekins v. The Superior Court,* 90 Cal. App. 630, 631-632, 266 Pac. 563 (1928).)

We recognize that this Court is not bound to follow the decisions of the California Supreme Court on questions involving Federal jurisdiction. We think it proper, however, to invite the Court's attention to the well considered decisions of the state courts because we believe they contain correct and persuasive statements of the fundamental rules involved here. Furthermore, the interests of uniformity require that this Court give weight to these decisions.

It seems to us that the principles announced in the case of *Wilson v. Sandford,* 51 U. S. (10 How.) 99 (1850), are controlling in this case. The only differences between that case and the case at bar are the following: In that case the plaintiff sought forfeiture of a license on a patent and an injunction against infringement. In this case the plaintiff sought forfeiture under, or foreclosure of, a "mortgage and assignment" of a copyright, without also seeking to enjoin infringement. These differences do not render the rule of that case inapplicable because (1) the statutory provisions regarding jurisdiction are the same for both patents and copyrights; (2) if there is no federal jurisdiction in an action for forfeiture coupled with a cause seeking to enjoin infringement, certainly the elimination of the latter cause, as was done in this case, does not confer jurisdiction, and (3) there is no essential difference between an action seeking to forfeit a license and an action seeking to foreclose a mortgage because in both instances the essence of what the plaintiff

seeks is the enforcement or forfeiture of rights arising under contracts or conveyances having patents or copyrights as their subject matter.

In *Luckett v. Delpark, supra,* page 504, the Supreme Court said that "jurisdiction fails because the complainant in his bill seeks forfeiture of licensed rights in equity before he can rely on the patent laws to enjoin infringement of his patent rights and obtain damages therefor." Paraphrasing this language for application to the instant case: "Jurisdiction fails because the complainant in his bill seeks forfeiture of the mortgagor's equity before he can rely on the copyright laws to enjoin infringement of his copyright rights and obtain damages therefor." We submit that there is not such a difference between "forfeiture of licensed rights in equity" and "forfeiture of a mortgagor's equity" as to require the conclusion that federal jurisdiction does not exist in the one case but exists in the other.

The judgment of the District Court constitutes an unwarranted and unauthorized usurpation of jurisdiction, and should be reversed.

Respectfully submitted,

Samuel B. Stewart, Jr.,
Hugo A. Steinmeyer,
Robert Van Buskirk and
Robert H. Fabian,
Attorneys for Amicus Curiae.